

Message Text

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PAGE 01 STATE 117371
ORIGIN EA-12

INFO OCT-01 ISO-00 SS-15 EB-08 STR-07 TRSE-00 NSC-05
COME-00 AGRE-00 CIAE-00 INR-10 NSAE-00 PA-01
ICA-11 XMB-02 /072 R

DRAFTED BY EA/J:H A COCHRAN:EH
APPROVED BY EA/J:R N KILPATRICK
EB/OT/TA:J CUNNINGHAM
STR:W BARREDA
COMMERCE:A MIYAKAWA
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-----047144 090635Z /15
R 082343Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO

LIMITED OFFICIAL USE STATE 117371

E.O. 11652:N/A

TAGS: ETRD, EFIN, BEXP, JA, US

SUBJECT: JAPAN'S SPECIAL IMPORT PROGRAM

REF: (A) TOKYO 7098; (B) TOKYO 3911; (C) TOKYO 4008
(D) 77 TOKYO 19508; (E) 77 TOKYO 19885; (F) STATE
82801

1. SUMMARY. US FIRMS ARE BEGINNING TO ASK HOW THEY MAY
BENEFIT FROM INCREASED FINANCING MADE AVAILABLE THROUGH
GOJ'S SPECIAL IMPORT PROGRAM. DEPT HAS BEEN ABLE TO PRO-
VIDE GENERAL INFORMATION BASED ON EXCELLENT EMBASSY REPORT-
ING (REFTELS A-E). REQUEST ADDITIONAL DETAILS ON FINANCING
PROGRAM AND EMBASSY SUGGESTIONS AS TO HOW WE MAY BEST HELP
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US AND JAPANESE FIRMS SEEKING TO INCREASE JAPANESE IMPORTS
OF MANUFACTURED GOODS FROM US UNDER THESE PROGRAMS. END
SUMMARY.

2. EMBASSY HAS REPORTED OUTLINES OF SPECIAL IMPORT PROGRAM
(REF C) AND ON DETAILS OF SPECIAL EXIMBANK FOREIGN CURRENCY
FACILITY OF UP TO \$440 MILLION WHICH WOULD GRANT LOANS BE-

TWEEN DEC 20 AND JULY 19 FOR SPECIAL IMPORTS OF KEY MATERIALS SUCH AS METALS, METAL ORES, OTHER RAW MATERIALS, AND CERTAIN CAPITAL EQUIPMENT (REF D AND E). REGULAR EXIM IMPORT AND INVESTMENT FACILITY OF 250 BILLION YEN FOR JFY 1978 WAS ALSO DESCRIBED.

3. REF A REPORTED LATEST LIBERALIZATION AND EXPANSION OF FOREIGN EXCHANGE IMPORT FINANCING SCHEMES, WHICH INCLUDED: (A) EXTENDING APPLICATION PERIOD FROM MID-JUNE 1978 TO DEC 31, 1978, (B) REDUCING THE INTEREST RATE FROM 4 TO 3.75 PERCENT, (C) INTRODUCING A NEW FOREIGN CURRENCY IMPORT FINANCING FACILITY THROUGH THE EXIMBANK, PROVIDING THREE YEAR FIXED INTEREST RATE LOANS AT 4.75 PERCENT, (D) INTRODUCING A NEW LONG-TERM FOREIGN CURRENCY LENDING FACILITY (3-10 YEAR) WITH A FIXED RATE, IN PRINCIPLE, SET AT 6 PERCENT, BUT WITH OPTION THAT 5 PERCENT LOANS COULD BE MADE FOR IMPORTS THE GOVT CONSIDERS ESSENTIAL.

4. ANACONDA HAS INQUIRED OF STR AND DEPT ABOUT MECHANICS OF FINANCING AND GE WASHINGTON REP (T.P. CROWLEY) ASKED ABOUT DETAILS OF IMPORT FINANCING PROGRAMS ON MAY 8.

5. ACCORDING CROWLEY, GE HAS BEEN WORKING WITH MITSUI TO ARRANGE SALE OF 1000 MEGAWATT COMBINED CYCLE PLANT (GAS AND STEAM) TO THE TOKYO ELECTRIC POWER COMPANY, EXPECTED VALUE OF US EXPORTS INVOLVED WOULD BE ABOUT LIMITED OFFICIAL USE

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\$225 MILLION. UNDERSTAND THAT MITSUI'S PRESIDENT IKEDA RAISED THIS POSSIBLE SALE WITH PM FUKUDA AT BREAKFAST BEFORE PM'S MAY 2-3 VISIT HERE. QUERIED BY CROWLEY AS TO WHETHER THIS SALE WOULD FALL UNDER THE SPECIAL IMPORT PROGRAM WE SUGGESTED THAT GE AND MITSUI MAKE DIRECT INQUIRIES AT THE JAPAN EXIM BANK AND GO AS FAR AS POSSIBLE TOWARD ARRANGING THE FINANCING FOR THE SALE. WE NOTED THAT EMBASSY REPORTING INDICATED THAT TOKYO ELECTRIC POWER WOULD HAVE TO BE THE OFFICIAL APPLICANT ON THE LOAN REQUEST FORM, BUT GE AND MITSUI SHOULD LEAVE NO STONE UNTURNED IN THEIR EFFORTS TO MAKE THE SALE. CROWLEY SAID HE WOULD ASK GE TOKYO TO MAKE FURTHER INQUIRIES AT EMBASSY.

6. GIVEN INCREASING INTEREST OF US FIRMS IN THIS SOURCE OF FINANCING, REQUEST EMBASSY PROVIDE US WITH ADDITIONAL DETAILS AS TO HOW IT OPERATED, WHAT PRODUCTS AND AMOUNTS HAVE BEEN FINANCED SO FAR. WOULD ALSO APPRECIATE EMBASSY SUGGESTIONS AS TO HOW WE AND EMBASSY CAN HELP US FIRMS OBTAIN THIS FINANCING FOR POTENTIAL CUSTOMERS IN JAPAN.
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INFO OCT-01 ISO-00 EB-08 /021 R

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DRAFTED BY:HERBERT COCHRAN
APPROVED BY:RICHARD KILPATRICK
-----130164 171514Z /53

R 170713Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO

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FOLLOWING REPEAT STATE 117371 ACTION TOKYO DATED MAY 8, 1978.

QUOTE: LIMITED OFFICIAL USE STATE 117371

E.O. 11652:N/A

TAGS: ETRD, EFIN, BEXP, JA, US

SUBJECT: JAPAN'S SPECIAL IMPORT PROGRAM

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Message Attributes

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Concepts: TRADE LIBERALIZATION, ECONOMIC PROGRAMS
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Copy: SINGLE
Draft Date: 08 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780581/aaaacriu.tel
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
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Reference: 78 TOKYO 7098, 78 TOKYO 3911, 78 TOKYO 4008, 77 TOKYO 19508, 77 TOKYO 19885
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Review Exemptions: n/a
Review Media Identifier:
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Review Release Event: n/a
Review Transfer Date:
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SAS ID: 2758283
Secure: OPEN
Status: NATIVE
Subject: JAPAN'S SPECIAL IMPORT PROGRAM
TAGS: ETRD, EFIN, BEXP, JA, US
To: TOKYO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/bcab2aa2-c288-dd11-92da-001cc4696bcc
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